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Message Text

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46
ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 ISO-00 IO-14 EB-11 SCEM-02 INT-08

COME-00 SPC-03 AID-20 NSC-10 RSC-01 CIEP-02 TRSE-00

SS-20 STR-08 OMB-01 CEA-02 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 PA-04 PRS-01 USIA-15 ACDA-19 MC-02

EURE-00 SAJ-01 DRC-01 /215 W
---------- 067212
P R 231701Z NOV 73
FM AMEMBASSY COPENHAGEN
TO SECSTATE WASHDC PRIORITY 8101
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
USMISSION NATO
AMEMBASSY JIDDA
USUN NY 342
AMEMBASSY MOSCOW

UNCLAS COPENHAGEN 2948

E.O. 11652: NA
TAGS: PFOR ENRG EC DA XF
SUBJ: YAMANI THREATENS TO REDUCE ARAB OIL BY EIGHTY PERCENT

SUMMARY.
SAUDI ARABIAN OIL MINISTER, SHEIK YAMANI, WHO IS OSTENSIBLY IN COPENHAGEN ON "PRIVAT" VISIT PRIOR TO HIS OFFICIAL CALLS IN PARIS AND LONDON NEXT WEEK, MET WITH FOREIGN MINSTER ANDERSEN NOVEMBER 23 AND HAS BEEN VERY ACTIVE IN MEETING WITH PRESS.
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DURING TELEVISION INTERVIEW NOVERMBER 22 YAMANI REFERRED TO SECRE-
TARY KISSINGER'S WARNING THAT US MIGHT BE FORCED TO TAKE COUNTER
MEASURES IF PRESSURES CONTINUE UNREASONABLY AND INDEFINITELY ON
OIL BOYCOTT. YAMNI RETORTED THAT PRESENT 20 PERCENT CUT IS REALLY
NOTHING AND THIS COULD BE EXTENDED AS HIGH AS 80 PERCENT. HE
CONCEDED THAT US COULD WITHSTAND SUCH CUTS BETER THAN EUROPEANS
AND JAPAN BUT WONDERED TO WHAT EXTENT LATTER WOULD GO ALONG
WITH US COUNTER MEASURES BECAUSE SUCH LARGE CUSTS WOULD TOTALLY
BREAK DOWN THEIR ECONOMIES. END SUMMARY

1. YAMANI MET WITH ANDERSEN FOR ABOUT ONE HOUR, FOLLOWING WHICH
HE DENIED THAT HIS COMMENTS ON TELEVISION CONSTITUTED A "THREAT".
HE WAS HOWEVER, REPORTEDLY, UNABLE TO SUGGEST ANOTHER TERM TO
DESCRIBE HIS REMARKS. HE AND THE FOREIGN MINISTER EXPRESSED
AGREEMENT PUBLICLY THAT THEIR TALKS HAD BEEN OPEN AND USEFUL.

2. IN WIDELY REPORTED SERIES OF INTERVIEWS, YAMANI HAS
MADE VARIOUS POINTS. QUERIED ABOUT POSSIBLE US MILITARY ACTION,
HE INDICATED THAT THIS WAS POSSIBLE BUT TERMED IT SUICIDE.
"WE COULD BLOW UP THE OIL FIELDS IN OUR COUNTRY AND THEN EVERY-
BODY WOULD BE WITHOUT SAUDI ARABIAN OIL. IT WOULD TAKE YEARS TO
REPAIR - - WHAT A RISK TO RUN." HE NOTED THAT HIS COUNTRY COULD
SURVIVE ECONOMICALLY EVEN WITH A REDUCTION OF 80 PERCENT IN PRO-
DUCTION SINCE OIL PRICE WOULD THEN BE MUCH HIGHER, ACCORDING TO
LAW OF SUPPLY AND DEMAND. HE ADDED THAT SAUDI ARABIA IS NOT GOING
TO PRODUCE MORE OIL IN THE FUTURE THAN IT CAN ON A CLEARLY
ECONOMIC BASIS. "IF WE PRODUCE MORE OIL, WE WILL OF
COURSE INCREASE OUR ECONOMIC RESERVES. IT IS OUR STATED GOAL TO
INCREASE INVESTMENTS WHEREBY WE WILL GET INDUSTRY
IN RETURN FOR THE OIL BUT WE ALSO INTEND TO EXPOLIT THE OIL TO
A HIGHER DEGREE THAN IS NOW THE CASE.
WE HAVE VERY AMBITIOUS GOALS FOR SAUDI ARABIA. WE MUST REFUTE THOSE
WHO SAY WE ARE DESTROYING THE WESTERN ECONOMY. WE DEFINITELY HAVE
NO INTEREST IN DESTROYING THE WESTERN ECONOMY, SINCE OUR MAIN IN-
COMES COME FROM THERE. HOWEVER, WE WILL CONTINUE TO OFFER SUPPORT
TO THE ARAB COUNTRIES WHO ARE NOT THEMSELVES OIL PRODUCERS."

3. YAMANI RECOGNIZED THAT OIL SQUEEZE WAS HAVING NEGATIVE EFFECT
ON PUBLIC OPINION BUT SAID THE WORLD HAS HAD SIX YEARS IN WHICH TO
LET UN WORK OUT A SOLUTION TO THE ISRAELI OCCUPATION OF ARAB
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TERRITORY AND NOTHING HAS HAPPENED. THE COUNTRIES OF WESTERN
EUROPE MUST COMPARE THE IMPORTANCE OF THEIR SUPPORT OF ISRAEL
WITH NEED OF THEIR OWN INDUSTRIES FOR OIL.

4. AT OPEC MEETING IN VIENNA, HE SAID, WE DID NOT PARTICULARLY
DISCUSS OIL STOP AND PRICES. WE FEEL THAT OIL PRICES SHOULD NOT
INCREASE DRASTICALLY AND SUDDENLY BUT SHOULD GRADUALLY BE INCREASED
TO A MORE REALISTIC LEVEL. OIL PRODUCING COUNTRIES MUST ALSO TAKE

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INTO CONSIDERATION THEIR FUTURE STOCKS OF RESOURCES.

5. YAMANI SAID HE DID NOT BELIEVE RUMORS THAT KING FEISAL IS SEEKING RAPPROCHEMENT WITH MOSCOW. AUDIS WILL, HOWEVER, CHANGE THEIR CURRENT POLICY TOWARD US. WE ARE VERY DISAPPOINTED OVER RECENT US ACTIONS. WITH REGARD TO USSR, WE BELIEVE IN THE FREE WORLD AND ARE AGAINST COMMUNISM. OUR POLICY IS BASED ON THIS. I CANNOT SAY WHAT THE SOVIET UNION WOULD DO IN THE MIDDLE EAST IF THE CRISIS IS INTENSIFIED BY A RESUMPTION OF THE WAR. HOWEVER, I WILL STRESS THAT THE SITUATION IN THE MIDDLE EAST IS VERY, VERY DANGEROUS. SAUDI ARABIA DOES NOT INTEND TO START ARMS PURCHASE IN THE SOVIET UNION. OUR ONLY SOURCES ARE THE US, FRANCE AND ENGLAND. IN SPITE OF AMERICAN ACTIONS IN CONNECTION WITH MIDDLE EAST WAR, WE FIGURE ON CONTINUED AMERICAN ARMS DELIVERIES.

6. ASKED HOW FAR SAUDIS CAN GO IN COOPERATION WITH THE SOCIALIST ARAB STATUS, HE REPLIED THAT WHEN QUESTION IS PALESTINE, WE ALL AGREE. MOREOVER, EGYPT IS NOT OPPOSED TO OUR FORM OF GOVERNMENT.
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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
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TAGS: PFOR, ENRG, DA, XF, EEC, OPEC, (YAMANI, AHMAD ZAKI)
To: STATE
Type: TE
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